

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE INTERROGATORIES  
TO PUBLIC REPRESENTATIVE WITNESS RAGHAVAN (PR-T-2)  
USPS/PR-T2-1 THROUGH USPS/PR-T2-14**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the United States Postal Service respectfully submits the following interrogatories and requests for production of documents to Public Representative witness Subramanian Raghavan: USPS/PR-T2-1 through 14.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**USPS/PR-T2-1.** Please refer to PR-T-2 at 1.

- (a) List all mail processing network analysis, design and/or optimization projects for which you have been a contributor and provide a brief description of each such project.
- (b) Please list all US Postal Service facilities at which you have observed the mail processing operations described in your testimony, the approximate dates of those observations, and summarize those observations.

**USPS/PR-T2-2.** At PR-T-2, pages 7-12, you use the scoring tool to estimate a baseline (current) number of facilities.

- (a) Please confirm that you use a 4-hour cancellation window in estimating the baseline. If you do not confirm, please explain.
- (b) Please confirm the current USPS cancellation window is generally 6.5 hours. If you do not confirm, please explain your understanding of the current cancellation window and the basis for that understanding.
- (c) If (a) and (b) are confirmed, do you agree that the results from the scoring tool would overestimate the number of facilities required for the current network? If you do not agree, please explain.
- (d) Please confirm that 1.8, 1.85, and 2.05 hours of drive time were used in the scoring tool for collection-to-cancellation (C2C) and Deliver Point Sequencing-to-delivery (D2D) transportation. If you do not confirm, please explain.
- (e) Is it your understanding that for each mail processing plant service area, all subordinate Post Offices are within 2.05 hours drive time of the plant? If not, what is your understanding of the extent to which the Post Office-to-plant drive time exceeds 2.05 hours?
- (f) If (a) and (b) are confirmed, please state whether the results from the scoring tool using 1.8, 1.85, or 2.05 hours of drive time for C2C and D2D transportation would overestimate the number of facilities required for the current network. If you do not agree that such overestimation would occur, please explain.

**USPS/PR-T2-3.** At pages 12-18 of PR-T-2, you analyze the application of the LogicNet Model.

- (a) Please confirm the main drivers of the resulting facility count and locations are the facility capacities and ZIP Code-to-facility distance constraints. If you do not confirm, please explain.
- (b) If (a) is confirmed, please confirm the Plant-to-ZIP Code and Plant-to-Plant transportation networks are driven by the resulting facility count and locations. If you do not confirm that facility counts and locations drive Plant-to-ZIP Code and Plant-to-Plant transportation networks, please explain.

**USPS/PR-T2-4.** Please refer to table 2 on page 19 of PR-T-2.

- (a) Please identify the process step represented by the column entitled "TIMES % (originating)."
- (b) Please confirm that the percentages specified in the "ODIS % Destinating" column represent an alternative secondary calculation for cancellation percentage in a 3-digit ZIP Code.
- (c) Please identify the process step represented by the column titled "ODIS % (destinating)."

**USPS/PR-T2-5.** PR-T-2, page 20 at lines 7-9 states: "When traffic is extremely spiky a higher percentile value (and higher peak value) may be more appropriate."

- (a) Please confirm that your testimony suggests that addition equipment will be needed to handle peak volume. If you do not confirm, please explain.
- (b) Please confirm that, as an alternative to additional equipment, an extended operating window could also be used to process peak volume. If you do not confirm, please explain.

**USPS/PR-T2-6.** At PR-T-2, page 28, lines 9-12, you state that you would expect Plant-to-Post Office transportation cost to increase. Please provide and/or identify the data and other information that serve as the basis for this expectation.

**USPS/PR-T2-7.** At PR-T-2, page 30, lines 9-10, you state that it is unlikely that cancellation volume could be spread evenly over the 7 hour operating window. Please explain the basis for this conclusion. In doing so, provide specific citations to any testimony or operations data filed in this proceeding, or to any mail processing observations identified in response to USPS/PR-T2-1.

**USPS/PR-T2-8.** At PR-T-2, page 43, table, 8 you summarize capacity adjustments to your LogicNet Model.

- (a) Please confirm that, without these adjustments, the model would be infeasible. If you do not confirm, please explain.
- (b) Please confirm that you could have alternatively adjusted the Plant-to-ZIP Code distance constraints to solve the infeasibility issues. If you do not confirm, please explain.
- (c) Please confirm that if distance constraints were relaxed, the model may have selected additional facilities that would have resulted in a higher facility count. If you do not confirm, please explain.

**USPS/PR-T2-9.** At PR-T-2, page 45, line 12, you define the current service standards as requiring somewhere between 239 and 277 mail processing facilities.

- (a) Please confirm that a DBCS with 222 bins would not be able to sort letters to all 239 to 277 destinating facilities separately during the outgoing primary operation. If you do not confirm, please explain.
- (b) If (a) is confirmed, please state whether you agree that an outgoing secondary DBCS operation would have to be performed to finalize letters to between 239 to 277 destinations. If you do not agree, please explain.
- (c) If (b) is confirmed, please state whether you agree that additional DBCS machines would need to be utilized to perform the outgoing secondary operation. If you do not agree, please explain.
- (d) If (c) is confirmed, please state whether you agree that addition workroom square footage would be required to accommodate the additional DBCSs referenced in (c). If you do not agree, please explain.
- (e) If (d) is confirmed, please state whether you agree that additional facilities would be required by the model. If you do not agree, please explain.

**USPS/PR-T2-10.** In PR-T-2 at page 8, line 15, when discussing the USPS-T-3 scoring tool, you use the phrase “any model that is used for planning purposes . . . .”

- (a) Is it your understanding that the scoring tool discussed in USPS-T-3 was designed and/or used for planning purposes? If your response is anything other than an unqualified negative, please explain.
- (b) Is it your understanding that the scoring tool discussed in USPS-T-3 was designed and/or used to evaluate the feasibility of expanding operating windows? If your response is anything other than an unqualified affirmative, please explain.
- (c) Is it your understanding that the scoring tool discussed in USPS-T-3 was designed and/or used to evaluate any financial savings involved with each scenario? If your response is anything other than an unqualified negative, please explain.

**USPS/PR-T2-11.** On page 15 of your testimony, you suggest that the LogicNet Model in USPS-T-3 was not run through enough iterations.

- (a) Is it your understanding that the USPS-T-3 model was only used to provide a starting point for network redesign? If your response is anything other than an unqualified affirmative, please explain.
- (b) Is it your understanding that the final design of the December 5, 2011 network concept proposal was designed after consideration of input from postal field managers familiar with and experienced in managing facility-specific logistics and workfloor space constraints, as well as general workforce constraints? If your response is anything other than an unqualified affirmative, please explain.

**USPS/PR-T2-12.** On page 16 of PR-T-2, you suggest that “some of the area management expertise could have been incorporated within an optimization model” and on page 17 you suggest “incorporating peak load considerations in the Logic Net phase might have yielded a better starting point for discussion with Area management.”

- (a) Is it your understanding that the USPS models were designed to be optimization models? If your response is anything other than an unqualified negative, please explain.
- (b) Do you agree that the proposed redesign of a mail processing network is ultimately dependent on the experience-based input of mail processing and transportation managers? If your response is anything other than an unqualified affirmative, please explain.
- (c) Do you agree that the experience-based input of mail processing and transportation managers may materially alter any model outputs that form the starting point for their proposed redesign? If your response is anything other than an unqualified affirmative, please explain.

**USPS/PR-T2-13.** On page 18 of PR-T2, you recommend averaging originating and destinating volumes. Please explain the advantages of averaging these volumes that are being moved in different directions, at different times of the day, and that are destined for different operating processes.

**USPS/PR-T2-14.** On page 19 and 20 of PR-T-2, you recommend that 95<sup>th</sup> percentile peak factor may not be sufficient because of the possibility of back-to-back peak days.

- (a) Please explain the extent to which your analysis reflects any understanding that of and takes into account whether weekends historically have provided the ability for mail processing plants to catch up when processing peak volumes?
- (b) Is it your recommendation that the Postal Service should use the 99<sup>th</sup> or 98<sup>th</sup> percentile peak factor as a basis for network design?
- (c) If your response to part (b) is anything other than an unqualified negative, explain why the Postal Service should install mail processing equipment that would only be used 4 to 7 days each year?